



Federal Accounting Standards Advisory Board

NEWS RELEASE

July 19, 2002

David Mosso, the Chairman of the Federal Accounting Standards Advisory Board, is pleased to announce that the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General of the United States have appointed three new members to five-year terms on the Board. The new Board members will bring diversity of experience to the deliberations of the Board. They are drawn from financial auditing, financial management, and investment decision-making backgrounds. The new Board members are Joseph V. Anania Sr., Claire Gorham Cohen, and Alan H. Schumacher:

Mr. Anania was a member of the Financial Accounting Standards Board for 8 years following his retirement as a partner with Price Waterhouse LLP's Audit and Business Advisory Services. While at the Financial Accounting Standards Board, he had lead roles working with the Business Council, investment analysts associations, and the American Bar Association. He was instrumental in organizing and developing the Financial Accounting Standard Board's Business Reporting Research Project, which resulted in 3 reports, including, *Improving Business Reporting: Insights Into Enhancing Voluntary Disclosures*. Mr. Anania is a member of the American Institute of Certified Public Accountants and the Pennsylvania Institute of Certified Public Accountants. Mr. Anania graduated Summa Cum Laude with a BBA from the University of Pittsburgh.

Ms. Cohen is a vice chairman at Fitch, Inc., a credit rating agency where she oversees state and state agency ratings. Ms. Cohen came to Fitch from Moody's Investor Service where she was vice president and managing director for state ratings as well as a chairman of the public finance department rating committee. Her career has spanned virtually all aspects of the municipal market as well as covering international sovereign issuers. Ms. Cohen started her career at Dun & Bradstreet after receiving an AB in government from Radcliffe College. She has served as chairman of the Municipal Analysts Group of New York and on the Board of Governors of the National Federation of Municipal Analysts. Ms. Cohen is a member of the Governmental Accounting Standards Advisory Counsel.

Mr. Schumacher was most recently Executive Vice President and Chief Financial Officer of the American National Can Group, a \$2.5 billion NYSE listed manufacturing company where he spent most of his career. He began as a Senior Internal Auditor and held positions of increasing responsibility throughout his career. He developed and executed global financial strategies and directed all financial activities including Treasury, Cash Management, Tax, Accounting, Finance and Control, Internal Audit, Investor Relations and Risk Management functions. In his early career, he worked for three years as a senior auditor with Price Waterhouse LLP. Mr. Schumacher holds a BS in accounting from the University of Illinois at Chicago, and an MBA from Roosevelt University. He is a member of the Illinois Society of Certified Public Accountants, and the American Institute of Certified Public Accountants.

The appointment of these three members follows from a decision by the Federal Accounting Standards Advisory Board Principals; the Secretary of the Treasury, the Director of the Office of Management and Budget, and the Comptroller General of the United States, to restructure the Board to provide for greater non-federal representation. The nine-member Board will now have six non-federal members and three Federal members.

The change in membership enhances the independence of the Board by creating a supermajority of members who will not be responsible for implementing or auditing against the standards and, therefore, who will be independent in fact and appearance. The Board's Principals believe that an independent body should promulgate generally accepted accounting principles (GAAP) for federal reporting entities. The change ensures independence while providing for a qualified and informed Board to establish standards that meet federal financial reporting objectives following due process procedures.

The elimination of three federal positions on the Board to allow for the increase in non-federal representation will not diminish the ability of Federal entities to participate in the development of accounting standards. The Board has well-established due process procedures that offer interested federal parties (e.g., financial officers, inspectors general and program managers) opportunities to participate in development of standards by serving on task forces, testifying at public hearings, commenting on Board proposals, and addressing issues and concerns to the Board. In addition to the existing due process procedures, the Board is creating other means for federal constituents to monitor Board deliberations and offer input to the Board. The Board's website (www.fasab.gov) now provides access to most briefing materials supporting its open meetings. The Board also plans to hold public agenda hearings to solicit input on its projects and priorities for the future. Through these and other means the Board expects to have a process that ensures those previously represented on the Board will have adequate opportunity to offer input. These steps and the balance of federal experience on the Board ensure that any uniquely federal issues and concerns will be raised and considered by the Board in promulgating standards.

The six existing members who will continue to serve on the Board have had a variety of governmental and non-governmental experience. The current Board Chairman, David Mosso, after 22 years of Federal service, retired as Fiscal Assistant Secretary of the Treasury and subsequently became vice-chairman of the non-federal Financial Accounting Standards Board. John Farrell is a retired audit partner from KPMG LLP where he managed federal audit engagements in recent years. Dr. James Patton, professor of accounting at the University of Pittsburgh's Katz Graduate School of Business, has conducted extensive research in the area of state, local, and federal accounting. The three remaining federal members -- Robert N. Reid, Deputy Assistant Secretary for Accounting Policy at the Department of the Treasury; Joseph I. Kull, Deputy Controller of the Office of Federal Financial Management at the Office of Management and Budget; and Philip T. Calder, Chief Accountant at the General Accounting Office -- represent the Board's Principals and together have over 30 years of federal service.

ABOUT FASAB

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources.

For more information on FASAB, please visit our website: www.fasab.gov